

BOROUGH OF COLUMBIA, LANCASTER COUNTY, PENNSYLVANIA

ORDINANCE NO. 908 - 2018

INTRODUCED BY COUNCIL – DECEMBER 10, 2018

ADOPTED BY COUNCIL – DECEMBER 10, 2018

AN ORDINANCE OF THE BOROUGH OF COLUMBIA, LANCASTER COUNTY, PENNSYLVANIA, AUTHORIZING, UNDER SPECIFIED CONDITIONS, EXEMPTIONS, DEDUCTIONS, ABATEMENTS AND CREDITS FOR REAL PROPERTY TAXES WITHIN AN AREA TO BE KNOWN AS THE KEYSTONE OPPORTUNITY EXPANSION ZONE IN ORDER TO FOSTER ECONOMIC OPPORTUNITIES, STIMULATE INDUSTRIAL, COMMERCIAL AND RESIDENTIAL IMPROVEMENTS, AND PREVENT PHYSICAL INFRASTRUCTURE DETERIORATION; PROVIDING FOR CONDITIONS PRECEDENT; PROVIDING FOR THE EFFECTIVE DATE AND TERM OF THE ORDINANCE; PROVIDING FOR THE REPEAL OF INCONSISTENT ORDINANCES; AND PROVIDING FOR THE SEVERABILITY OF THE ORDINANCE.

BACKGROUND

WHEREAS, the Borough of Columbia, Lancaster County, Pennsylvania, recognizes the need to encourage investment in defined geographical areas within the Borough of Columbia that are experiencing distress characterized by one or more of the following: high unemployment, low investment of new capital, blighted conditions, under-utilized, obsolete or abandoned industrial, commercial and residential structures, or deteriorated tax base; and

WHEREAS, the Pennsylvania Keystone Opportunity Zone Act, Act of October 6, 1998, P.L. 705, No. 92, 73 P.S. §§820.101-820.1309 and 72 P.S. §8911-D, as amended including amendment by Act 43 of 2017 (hereinafter referred to as the "Act"), authorizes political subdivisions such as the Borough of Columbia to apply to the Pennsylvania Department of Community and Economic Development ("DCED") for designation of an area within the political subdivision's boundaries as a Keystone Opportunity Expansion Zone ("KOEZ"); and

WHEREAS, as a precondition of such application, the political subdivision is required to adopt an ordinance which provides for exemptions, abatements, credits or deductions from certain local taxes within the designated and approved KOEZ; and

WHEREAS, approval of the benefits provided in the Act will result in improving the economic, physical, and social conditions within the proposed KOEZ by stimulating existing business employment, creating new employment and diminishing blight; and

WHEREAS, it is expected that the increase private- and public-sector investors will reverse the disinvestment and conditions of blight within the proposed KOEZ by the time of its termination; and

WHEREAS, the proposed KOEZ within the Borough of Columbia is comprised of parcels of property which are deteriorated, under-utilized or unoccupied.

NOW, THEREFORE, BE AND IT IS HEREBY ORDAINED AND ENACTED by the Borough Council of the Borough of Columbia, Lancaster County, Pennsylvania, as follows:

SECTION 1. The background recital set forth above or incorporated herein.

SECTION 2. The Borough of Columbia hereby designates the boundaries of the proposed KOEZ as those areas and parcels identified on Exhibit "A," set forth and attached hereto.

SECTION 3. In accordance with the Act, but without limiting requirements or provisions of the Act, commencing on January 1, 2019, and continuing for ten (10) years thereafter (to terminate on December 31, 2028) the following tax exemptions shall apply to qualified businesses defined by the Act within the KOEZ:

A. 100% for the real property tax on the assessed value of improvements made to the qualified business' property within the KOEZ; and

B. To the extent that any such taxes are hereinafter enacted and levied by the Borough of Columbia, 100% of business gross receipt taxes for operations conducted by a qualified business within the expansion zone, 100% of business privilege taxes and business opportunity taxes, taxes on the earned income received by a resident of the expansion zone, taxes on the net profits of a qualified business attributable to business' activity conducted within the expansion zone, mercantile taxes attributable to business' activity conducted by a qualified business within the expansion zone, and sales and use taxes for purchases exclusively used and consumed by the qualified business in the expansion zone.

SECTION 4. In accordance with the Act, exemptions shall only be available for qualified businesses that qualify for the same and comply with all provisions of the Act not only at the time of initial application but throughout the term of this Ordinance.

SECTION 5. In accordance with the terms of the Act, no qualified business may claim or receive an exemption unless it is in full compliance with all state and all local laws, ordinances and resolutions, and with all state and local zoning, building and housing laws, ordinances or codes.

SECTION 6. This Ordinance shall not provide exemption for any tax owed prior to January 1, 2019. Any and all roll-back taxes arising under Section 5490.6 of the Pennsylvania Farmland and Forestland Assessment Act, as amended ("Act 319"), 72 P.A. Stat. §§5490.1 – 5490.13 shall be due and owing upon the conversion of the real property within the KOEZ from agricultural to industrial use. The amount of such roll-back taxes shall be determined in accordance with 7 Pa. Code §137b.89 and this Ordinance does not provide exemption from liability for payment of such roll-back taxes.

SECTION 7. Qualified businesses may enter into an agreement for payment in lieu of taxes pursuant to which it agrees to pay one hundred percent (100%) of the current base real property tax on the terms and conditions set forth in the agreement, the form and substance of which shall be substantially as set forth in Exhibit "B" hereto.

SECTION 8. This Ordinance shall be effective only should both of the following occur:

A. DCED approval by December 31, 2018, of the application for the proposed Keystone Opportunity Expansion Zone; and

B. Adoption by the school district of the Borough of Columbia of a resolution approving all of the same tax credits, abatements and other provisions as contained in this Ordinance.

SECTION 9. Assuming all conditions set forth above are met, the provisions of this Ordinance shall become effective on January 1, 2019 and shall terminate on December 31, 2028.

SECTION 10. The provisions of the Act not herein enumerated are incorporated as part of this Ordinance by reference, and if any provision of this Ordinance is determined to be contrary to the Act, such provision shall be deemed eliminated and the Act shall control.


SECTION 11. All ordinances or resolutions or parts of ordinances or resolutions insofar as they are inconsistent herewith are hereby repealed and rescinded.

SECTION 12. In the event any provision, section, sentence, clause or part of this Ordinance shall be held to be invalid, such invalidity shall not affect or impair any of the remaining provisions, sections, sentences, clauses or parts of this Ordinance; it being the intent of the Borough of Columbia that the remainder of the Ordinance shall be and shall remain in full force and effect.

SECTION 13. The proper officers of the Borough of Columbia (namely, the Borough Manager, Borough Secretary and Borough Treasurer), are authorized to execute all documents and take all action necessary or appropriate to inform representatives of DCED and the County of Lancaster of the Borough of Columbia's enactment of this Ordinance and support of the proposal to include the tax parcels set forth on Exhibit "A" within the KOEZ and to implement the terms of this Ordinance.

DULY ORDAINED AND ENACTED this 10TH day of December, 2018, by the Borough Council of the Borough of Columbia, Lancaster County, Pennsylvania, in lawful session duly assembled.


BOROUGH OF COLUMBIA,
LANCASTER COUNTY, PENNSYLVANIA

By: 
Kelly Murphy,
President of Borough Council

ATTEST:


Rebecca S. Denlinger,
Borough Manager/Secretary

Examined and approved this 10th day of December, 2018.


Leo S. Lutz, Mayor